

RE: Amendments to the Tax Credit Program for new and expanding businesses meeting certain criteria and establishing a PILOT for certain facilities

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**PERTAINING TO THE AMENDMENT OF THE TAX CREDIT PROVISIONS
PERTAINING TO NEW OR EXPANDING BUSINESSES THAT MEET CERTAIN
CONDITIONS AND THE ESTABLISHMENT OF A PAYMENT IN LIEU OF TAXES
PROGRAM FOR CERTAIN FACILITIES**

WHEREAS, Section 9-306 of the *Tax-Property Article* of the Maryland Annotated Code, as amended by 2013 Laws of Maryland Chapter 516, modifies the authority of the Board of County Commissioners of Calvert County, Maryland to grant, by law, a property tax credit against the County property tax imposed on real property owned by an expanding or new business that: (1) employs at least 25 new additional full-time employees, the salaries for which must be greater than the County annual average salary in the economic development target market sector, as determined by the County; and (2) acquires at least \$2,500,000 in land, improvements to the land, or equipment in the County;

WHEREAS, Section 9-306 of the *Tax-Property Article* of the Maryland Annotated Code, as amended by 2013 Laws of Maryland, Chapter 516, further provides that, if the expanding or new business is engaged in the generation of electricity or liquefaction of natural gas, the credit under that section may be granted against the County property tax imposed on personal property, operating personal property, real property, or operating real property owned by the expanding or new business;

WHEREAS, Section 7-517 of the *Tax-Property Article* of the Maryland Annotated Code, created by 2013 Laws of Maryland Chapter 516, empowers the Board of County Commissioners of Calvert County, Maryland to enter into an agreement with the owner of a facility for the

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liquefaction of natural gas that is located or locates in the County for a negotiated payment by the owner in lieu of taxes on the facility;

WHEREAS, after due notice was published, the Board of County Commissioners conducted a public hearing on November 5, 2013, to solicit public comments upon the adoption of amendments to *Article VIII* of Chapter 136 of the Code of Calvert County, being *Article VIII* of Chapter 136 of *Article 5* of the Code of Public Laws of Maryland (hereinafter, the "Code"); and

WHEREAS, after considering the evidence which had been presented at the public hearing and in furtherance of the public health, safety and welfare, the Board of County Commissioners of Calvert County, Maryland determined it is in the best interest of the citizens of the County to enact the amendments to *Article VIII* to Chapter 136 the Code as set forth herein.

NOW, THEREFORE, BE IT ORDAINED, by the Board of County Commissioners of Calvert County, Maryland that *Article VIII* of Chapter 136 of the Code of Calvert County, being *Article VIII* of Chapter 136 of *Article 5* of the Code of Public Laws of Maryland, be redacted and readopted and re-enacted as follows:

Article VIII
Property Tax Credit for Economic Development

§ 136-37. Establishment of Tax Credit.

- A. Except as otherwise provided herein, a new or expanding business in Calvert County meeting the criteria set forth in this Article VIII may receive a property tax credit against the County property tax imposed on real property owned by the new or expanding business.
- B. If the expanding or new business is engaged in the generation of electricity or liquefaction of natural gas, the credit under this section may be granted against the

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County property tax imposed on personal property, operating personal property, real property, or operating real property owned by the expanding or new business.

§ 136-38. Eligible Businesses.

The tax credit provided for in this Article VIII may, upon the approval of the County Commissioners, be granted to:

- A. A new or expanding business that owns the land, building and personal property, or
- B. Any party responsible for paying the real property taxes on all or part of the land or building.

§ 136-39. Requirements.

In order to be eligible to apply to the Board of County Commissioners to receive the credit pursuant to this Article VIII, the new or expanding business shall:

- A. Employ at least 25 new additional full-time employees in industries identified by the Board of County Commissioners as target market sector industries for Economic Development;
- B. Provide individual compensation for the new full-time positions that shall be greater than the annual average salary in Calvert County for similar or equivalent positions in the industry; and
- C. Expend at least \$2,500,000 for
 1. land in Calvert County;
 2. improvements to land in Calvert County; or
 3. equipment to be located in Calvert County.

§ 136-40. Amount of Credit.

The amount of the credit shall be an amount determined by the Board of County Commissioners to be in the best interest of the public upon consideration of the benefit to the public in granting a credit and, in no event, shall not exceed 50% of the amount of County

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property tax due in any taxable year and imposed on personal property, operating personal property, real property, or operating real property owned by the expanding or new business.

§ 136-41. Agreement.

The Board of County Commissioners may enter into a written agreement with the new or expanding business pursuant to the terms of this Article VIII that defines, fixes or limits the amount, term, scope and duration of any credit provided under this title. The agreement shall be binding on and inure to the benefit of successive Boards of County Commissioners.

BE IT FURTHER ORDAINED, by the Board of County Commissioners of Calvert County, Maryland that *Article X* of Chapter 136 of the Code of Calvert County, being *Article X* of Chapter 136 of *Article 5* of the Code of Public Laws of Maryland, be adopted and enacted as follows:

Article X
Payment In Lieu of Taxes for Economic Development

§ 136-47. Payment in Lieu of Taxes.

- A. The Board of County Commissioners may enter into a written agreement for a negotiated payment in lieu of taxes under this Article X with the owner of a facility for the liquefaction of natural gas that is located or locates in the County.
- B. As specified in an agreement for a negotiated payment in lieu of taxes under this Article X, for the term specified in the agreement, the real, operating real, personal, or operating personal property at a facility for the liquefaction of natural gas that is located or locates in the county is exempt from County property tax.

§ 136-48. Requirements.

An agreement for a negotiated payment in lieu of taxes under this section shall provide that, for the term specified in the agreement:

- A. The owner shall pay to the County a specified amount each year in lieu of the payment of County real, operating real, personal, or operating personal property tax; and

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B. As set forth in an agreement, all or a specified part of the real, operating real, personal, or operating personal property at the facility shall be exempt from County property tax for the term of the agreement.

§ 136-49. Binding effect.

An agreement adopted pursuant to this Article X shall be binding on and inure to the benefit of successive Boards of County Commissioners.

BE IT FURTHER ORDAINED by the Board of County Commissioners of Calvert County, Maryland that, in the event any portion of this Ordinance is found to be unconstitutional, illegal, null or void, it is the intent of the Board of County Commissioners to sever only the invalid portion or provision, and that the remainder of the Ordinance shall be enforceable and valid.

BE IT FURTHER ORDAINED by the Board of County Commissioners of Calvert County, Maryland that the foregoing recitals are adopted as if fully rewritten herein.

BE IT FURTHER ORDAINED by the Board of County Commissioners of Calvert County, Maryland that this Ordinance shall be effective upon recordation.

[SIGNATURES ON FOLLOWING PAGE]

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DONE, this 5th day of November 2013 by the Board of County Commissioners of Calvert County, Maryland.

Aye: 5
Nay: 0
Absent/Abstain: 0

ATTEST:

BOARD OF COUNTY COMMISSIONERS OF CALVERT COUNTY, MARYLAND

Matreen L. Frederick
Matreen L. Frederick, Clerk

Pat Nutter
Pat Nutter, President

Approved for form and legal sufficiency on November 5, 2013

Steven R. Weems
Steven R. Weems, Vice-President

by:

Gerald W. Clark
Gerald W. Clark

John B. Norris, III
John B. Norris, III, County Attorney

Susan Shaw
Susan Shaw

Evan K. Slaughenhoupt Jr.
Evan K. Slaughenhoupt Jr.

Received for Record November 6, 2013
at 10:22 o'clock AM M. Same day
recorded in Liber KPS No. 43
313 COUNTY COMMISSIONERS
AND RESOLUTION.

[Handwritten signature]